

AGENDA ITEM # 11

May 11, 2001

To: Delta Protection Commission

From: Margit Aramburu, Executive Director

Subject: Update on Agriculture in the Primary Zone of the Delta
(*For Public Hearing and Possible Commission Action*)

PROPOSED ACTION/NEXT STEPS:

Staff will update the Commission on changes in agriculture in the Delta Primary Zone since the background report on Agriculture was presented in 1994. The Commission will receive public comment and discuss the staff report. The Commission may direct the staff in further action including: further meetings, studies, and research; actions to carry out its Strategic Plan; funding issues; etc., such as:

- work with CALFED, local governments, and non-profits, develop criteria to protect agricultural land in the Delta Primary Zone;
- develop information about sources of funds available for acquisition of agricultural easements;
- meet with local land trusts and County planners to discuss and coordinate priorities;
- reconstitute the Agricultural Citizens Advisory Committee (ACAC) to advise staff on agriculture issues and actions;
- refine guidelines for buffers between agriculture and habitat enhancement projects and identify a pilot/demonstration project in the Delta Primary Zone.

BACKGROUND:

The Commission received a background report on agriculture in March 1994. That report included a history of Delta agriculture, review of changes in land use in the Delta from 1976 to 1993, a look at current agriculture in the Delta, local planning for agriculture, trends in agriculture, agricultural issues, a description of means of protecting agricultural land, and management of agricultural land for wildlife habitat. The original background report is available on the Commission's website (www.delta.ca.gov), or in hard copy from the Commission's office.

This staff report provides an update on information in that report. This report has not received thorough review by local government staff or others, and should be deemed a preliminary report.

LAND USE AND RESOURCE MANAGEMENT PLAN FOR THE PRIMARY ZONE OF THE DELTA:

Based on the background report, the Commission adopted findings, policies and recommendations on agriculture which are incorporated in the Commission's Land Use and Resource Management Plan for the Primary Zone of the Delta (see attached).

The adopted policies state:

1. Commercial agriculture in the Delta shall be supported and encouraged as a key element in the State's economy and in providing the food supply needed to sustain the increasing population of the State, the Nation, and the world.
2. Local governments shall identify the unique qualities of the Delta which make it well suited for agriculture. These qualities include: rich soil, ample supplies of water, long growing season, mild climate, and proximity to packaging and shipping infrastructure. The unique physical characteristics of the Delta also require that agricultural landowners maintain extensive levee systems, provide flood control, and have adequate drainage to allow the lands to be farmed.
3. Education of the local populations about the value and rich heritage of agriculture in the State and in the Delta shall be continued and expanded.
4. Local governments shall support long-term viability of commercial agriculture in the Delta because of its economic and environmental importance to the State and local communities.
5. Support shall be given to current and alternative programs that help to minimize the need for costly production inputs such as fertilizers, pesticides, and herbicides as long as crop production levels and agricultural income can be maintained. Improving crop production and agricultural income is vital to the success of Delta agriculture.
6. Each local government shall continue to implement the necessary plans and ordinances to: maximize agricultural parcel size; reduce subdivision of agricultural lands; protect ordinary agricultural activities; protect agricultural land from conversion to other uses; and clearly define areas in that jurisdiction where urban uses are appropriate and where agricultural land uses are appropriate.

An optimum package of regulatory and incentive programs would include:

- (1) an urban limit line;
- (2) minimum parcel size consistent with local agricultural practices and needs;
- (3) strict subdivision regulations regarding subdivision of agricultural lands to ensure that subdivided lands will continue in agriculture;
- (4) delete from zoning ordinances "other" land uses which are not compatible with agriculture;

- (5) require adequate buffers between agricultural and non-agricultural lands uses particularly residential development outside but adjacent to the Primary Zone;
 - (6) an agriculture element of the general plan;
 - (7) a right-to-farm ordinance; and
 - (8) a conservation easement program.
- 7. Encourage acquisition of agricultural conservation easements as mitigation for projects within each county, or through public or private funds obtained to protect agricultural and open space values, and habitat value that is associated with agricultural operations. Encourage transfer of development rights within land holdings, from parcel to parcel within the Delta, and where appropriate, to sites outside the Delta. Promote use of environmental mitigation in agricultural areas only when it is consistent and compatible with ongoing agricultural operations and when developed in appropriate locations designated on a countywide or Delta-wide habitat management plan.
 - 8. Encourage management of agricultural lands which maximize wildlife habitat seasonally and year-round, through techniques such as sequential flooding in fall and winter, leaving crop residue, creation of mosaic of small grains and flooded areas, controlling predators, controlling poaching, controlling public access, and others.
 - 9. Local government may continue to retain agricultural zoning and minimum parcel sizes as described in zoning codes in place January 1, 1992. Where minimum parcel size is less than 40 acres, local governments shall describe how smaller parcel sizes will support long-term viability of commercial agriculture in the Primary Zone. This policy shall not be construed to require the re-zoning of subminimum parcels.
 - 10. Local governments may develop programs to cluster agriculture-dependent residential units or transfer development rights (TDRs) to off-site locations. Clustering on a single farm would be for family members or employees and would not exceed maximum number of units allowed under existing zoning as of January 1, 1992. Clustering would be accompanied by conditions to preserve agricultural use and open space values on the balance of the property. TDRs may involve transfers from farms to Primary Zone communities with adequate flood protection to protect residential use, or to sites out of the Primary Zone.
 - 11. Local governments that pursue clustering or transfer of development rights shall proceed with adoption of procedures to implement such programs as part of the Delta plans.
 - 12. Where portions of cities are located within the Primary Zone, cities shall indicate zoning which was in place on January 1, 1992. Future changes to city general plans or zoning ordinances shall conform to the adopted Land Use and Resource Management Plan.

STRATEGIC PLAN:

The Commission's Strategic Plan, adopted November 16, 2000 (see attached) includes the following actions that apply to Delta agriculture:

- Develop techniques to promote balance between the three Delta land uses:

Step 1: Develop an inventory of existing Delta land uses, and changes in land use since January 1, 1993, including acquisition of land for future land use changes.

Step 2: Prepare a composite map of existing and proposed land uses in the Primary Zone with information from the five Delta Counties and evaluate consistency with the vision of the Delta Protection Commission.

Step 3: Monitor pending projects and prepare monthly memo for Commission and general public to document proposed changes to land use.

Step 4: Develop guidelines and tools for ensuring that balance between land uses in the Delta is maintained. Balance means that lands can be used for multiple uses, and that changes in use on one parcel do not adversely affect uses on adjacent or nearby parcels. Balance means that the goals of the Delta Protection Act are carried out in land use decisions in the Primary Zone.

Step 5: Amend the Commission's Plan to include new guidelines and tools and ensure that the local governments incorporate them into their General Plans.

- Facilitating solutions:

Step 5: Promote the Commission's vision in State and federal planning programs to help shape the future land uses in the Primary Zone of the Delta and ensure harmony and consistency with the Commission's future vision.

- Development of a strategy for addressing external influences.

Step 2: Comment on proposed CALFED funding program in the Delta area to ensure consistency with the Commission's Mission, Vision, and Plan.

Step 3: Coordinate with federal, State, local, and non-profit programs to develop priorities for acquisition of agricultural easements in the Primary Zone.

Step 4: Identify and develop solutions for Delta land use conflicts that need to be resolved prior to implementation of CALFED's Ecosystem Restoration Program Plan.

- Enhance public information on Commission positions and actions and increase outreach.

Step 3: Carry forward comments and ideas from citizens and landowners of the Primary Zone of the Delta to regional, State and federal planning processes to ensure those views are part of a larger decision-making process.

CHANGES IN DELTA LAND USE:

In 1993, the Department of Water Resources (DWR) published a report, "A Report on Land Use Patterns in the Sacramento-San Joaquin Delta", which illustrated in charts and maps, changes in land use patterns in the Delta from 1976-1993. At that time, the biggest change in the **Primary Zone** was the introduction of 4,500 acres of new orchards and vineyards. The biggest change in the **Secondary Zone** was the conversion of about 21,600 acres of agricultural land to urban land uses in Brentwood and Oakley, Contra Costa County; Pocket area, Sacramento County; West Sacramento, Yolo County; and Stockton and Tracy, San Joaquin County.

The DWR and CALFED will be preparing another Deltawide land use inventory in the future, but none has been carried out since 1993.

According to the 1993 DWR report, the Delta land uses were: 378,160 acres in agriculture (77%); 5,019 acres in urban use (1%); 57,596 acres of native land (12%); and 51,000 acres of water-covered area (10%).

Since 1993, large acreage has been acquired by public agencies and by nonprofit groups with the ultimate goal of retiring agriculture and restoring habitat. Some of those lands are being allowed to return to habitat with no management plans. Some of the restoration projects are being designed and will be constructed to ensure specific habitat goals are met.

The Delta Wetlands project has received approval from the State Water Resources Control Board (February 2001), but still needs a permit from the Corps of Engineers. The Delta Wetlands project, which had already released its first Draft Environmental Impact Report when the Commission was formed, covers most of four islands: Webb and Holland in Contra Costa County, and Bacon and Bouldin in San Joaquin County. Webb and Bacon would be used as water reservoirs, and Bouldin and most of Holland would be used as permanently dedicated habitat/mitigation islands. The total project includes 20,000 acres of agricultural land. CALFED is evaluating use of the Delta Wetlands project to meet its in-Delta storage goals.

Two cities are proposing to expand their sphere of influence into the Primary Zone of the Delta: the City of Sacramento and the City of Elk Grove, both in Sacramento County. A sphere of influence is a local government-planning tool that allows a City to influence future land uses in County lands adjacent to the City. In addition, the City of Davis is considering including portions of the Primary Zone in the Yolo Bypass as part of its "planning area".

In **Solano County**, lands acquired for habitat restoration and/or management include:

- Little Holland Tract: Corps of Engineers (1,640 acres): *Levee eroded in 1980's; land acquired and will be permanently maintained as aquatic, tidal habitat. Note: The Tract was flooded prior to creation of the Commission in 1993.*
- Prospect Island (1,228 acres): Bureau of Reclamation: *Acquired in 1995, plans underway to grade the Island and open the levee to allow tidal action and will be permanently maintained as aquatic, tidal habitat. Note: An option for acquisition was in place when the Commission was created in 1993.*
- Jepsen Prairie Preserve (1,566 acres): Solano County Farmlands and Open Space Foundation: *Preserve was transferred from The Nature Conservancy to the local land trust and will be permanently maintained as grassland and vernal pools. Note: This site was in nonprofit ownership when the Commission was created in 1993.*
- Liberty Island (4,760 acres): Trust for Public Lands: *The Island was acquired in 1999 with a CALFED grant, with anticipation of transfer to U.S. Fish and Wildlife Service. Levee was breached during high water flows, and lower elevation area is open to tidal action.*
- Yolo Bypass Habitat Area (3,583 acres): Department of Fish and Game and Yolo Basin Foundation: *Lands are within the Yolo Bypass and are permanently dedicated to seasonal wetland habitat.*
- Liberty Farms Wetland Reserve Easement (564 acres): Natural Resource Conservation Service: *The easement retires the land from agriculture and restores habitat, and retains the land in private ownership.*

In **Sacramento County**, lands acquired for habitat restoration and/or management include:

- Sherman Island (8,146 acres): Department of Water Resources: *Lands are still in agriculture; DWR has plans to restore the Island to managed wetland habitat but no implementation schedule.*
- Hood (123 acres): Department of Water Resources: *Lands are still in agriculture; DWR could use this site for diversion of water from the Sacramento River but option now under study by CALFED.*
- Delta Meadows (263 acres): Department of Parks and Recreation: *Water-covered lands acquired for habitat management and recreation use; no formal plans at this time.*
- Lodi Gun Club (287 acres); Agri-Versified (227 acres); Lewis Ranch (50 acres); Samra Property (104 acres); and Correia Property Agricultural Easement (148 acres): U. S. Fish and Wildlife Service: *Lands are within the proposed boundary of the Stone Lakes National Wildlife Refuge; Service has not prepared a formal management plan for the Refuge.*
- McCormack-Williamson Tract (1,654 acres): The Nature Conservancy: *Lands are still in agriculture; TNC has plans to restore the Tract to habitat but will plan final design in partnership with CALFED's North Delta project.*
- Tyler Island Conservation Easement (800 acres): Wildlife Conservation Board and Natural Resources Conservation Service: *Lands are not currently farmed, but restoration construction has not been started. Terms of the easement require retirement of commercial agriculture on the site.*

In **San Joaquin County**, no lands have been acquired for habitat restoration. CALFED has approved funding for acquisition of Staten Island (approximately 10,000 acres) by The Nature Conservancy which will be finalized in 2001 for management as wildlife friendly agriculture and possibly, flood control. Several easements have been acquired including:

- Empire Tract (261 acres): Wildlife Conservation Board: *Land will be retired from agriculture and enhanced and managed as seasonal wetland.*
- Terminous Tract (30 acres).
- Medford Island (518 acres): *A private mitigation bank on former agriculture land. Lands are managed as seasonal wetland.*
- Fern-Headreach Island (168 acres): Wildlife Conservation Board: *Small channel island will be enhanced as wetland and riparian habitat; no loss of agriculture.*

In **Yolo County**, lands acquired for habitat restoration and/or management include:

- Putah Creek Corridor (82 acres): City of Davis: *Enhance riparian corridor; remainder in agriculture.*
- Little Holland Tract (see above)
- Liberty Island (see above)
- Saxon Duck Club (480 acres); Skyraker Duck Club (340 acres) Yolo Bypass Suck Club (158 acres): Various parties: *Retain and enhance seasonal wetland habitat on existing duck club lands.*
- Los Rios Farms Wetland Reserve Easement (165 acres): Natural Resource Conservation Service: *The easement retires the land from agriculture and restores habitat, and retains the land in private ownership.*

In **Contra Costa County**, lands acquired for habitat restoration and/or management include:

- Big Break (1,768 acres): East Bay Regional Park District: *Water-covered lands acquired for habitat management and recreation use; no formal plans at this time.*
- Palm Tract Conservation Easement (1,076 acres): Western Area Power Authority: *Conversion of agriculture to mosaic of permanent wetland, seasonal wetland, and agriculture for mitigation of power line project.*
- Holland Tract Wetlands Reserve Easement/L&L Farms (232 acres): Natural Resource Conservation Service: *The easement retires the land from agriculture and restores habitat, and retains the land in private ownership.*
- Holland Tract Reserve Easement/Frelier (493 acres): Natural Resource Conservation Service: *The easement retires the land from agriculture and restores habitat, and retains the land in private ownership.*

In the Secondary Zone, there continue to be large areas of land converted to urban use. Two new cities have been created near the Delta--Elk Grove in Sacramento County and Oakley in Contra Costa County.

At the time the Commission was researching Delta land use issues in 1993, the five Delta Counties were working to protect agricultural land by strengthening policies in County

General Plans, adopting larger minimum parcels sizes, adopting right to farm ordinances, adopting Urban Limit Lines, and supporting local, non-profit land trusts developed to protect open space and agricultural lands.

Since February 1995 when the Commission's Land Use and Resource Management Plan for the Primary Zone of the Delta (Plan) was adopted, much has changed. There has been a huge spurt in urban growth in the lands surrounding the Delta, two new cities have been created on the edge of the Delta, CALFED has brought new State and federal funds and aggressive planning for ecosystem restoration in the Delta, CALFED has expressed an interest in in-Delta water storage and is evaluating the 20,000 acre Delta Wetlands project for suitability for in-Delta storage, State and federal programs have continued to restore habitat in the Delta, and there have been new efforts by local land trusts to acquire easements to protect open space and agricultural lands.

CURRENT AGRICULTURE

Statewide

According to the California Agriculture Statistics Service, California agriculture generated almost \$26.7 billion in cash receipts in 1999, over 13% of all national farm cash receipts. California's agriculture industry supports approximately 1.1 million jobs annually, approximately 7.4% of total employment for the State. Agriculture is especially important to the economy of California's Central Valley, where it accounts for 21% of all income and 25% of all employment for that region. Approximately 16 to 19% of California's total agricultural production is exported to international markets annually; in 1999, international exports were valued at over \$6 billion (Measure of CA Agriculture, 2000, University of CA Agricultural Issues Center).

The Delta

Solano County: According to the Solano County Dept. of Agriculture's 1999 Agricultural Crop Report, the gross value of agricultural production in 1999 was \$195,482,500, representing a 5.5% increase over 1998 values. Although Solano County had approximately 125,500 acres in field crops in 1999, the acreage and value of these crops has declined since 1998 by 5% and 9%, respectively; in addition, seed crop value decreased by 14%. On the other hand, fruit and nut crops, tomatoes, livestock production, and tomato values increased over 1998 levels. Over 500 acres of wine grapes and English walnuts came into production in 1999; this increase is expected to continue as values for field crops are expected to continue declining.

Solano County has approximately 526,720 acres, of which approximately 341,000 are in agricultural production. The top ten commodities for Solano County in 1999 were: tomatoes (\$36.8 million); nursery stock (\$29.0 million); alfalfa (\$18.3 million); wine grapes (\$14.1 million); cattle and calves (\$13.5 million); feeder lambs (\$8.5 million); field corn (\$7.1 million); wheat (\$7.0 million); sugar beets (\$6.4 million); and English walnuts (\$4.4 million).

The main crops currently growing in the Delta area of Solano County include rangeland, corn, wheat, and safflower. Sugar beets grown in Solano County in 1999 accounted for approximately 4.5% of all sugar beet production for California, however, sugar beets are no longer being produced in the County. Processing tomato acreage is also down significantly from historic levels. These crops have largely been replaced by increased corn and wheat acreages.

Sacramento County: According to the Sacramento County 1999 Crop and Livestock Report, gross production in the County for 1999 reached a record high of \$293,859,000, an increase of \$18.45 million over 1998 values. There was an increase in the acreage of wine grapes produced in the County in 1999; this is a trend that is expected to continue over the next few years. The top ten commodities for Sacramento County in 1999 were: wine grapes (\$90.4 million); milk (\$48.4 million); pears (\$29.3 million); processing tomatoes (\$18.1 million); nursery stock (\$17.1 million); rice (\$12.5 million); turkeys (\$10.0 million); field corn (\$9.2 million); cattle and calves (\$6.4 million); and aquaculture (\$5.0 million).

In the 87,000 acres that make up the Delta portion of Sacramento County, corn and wheat are the dominant crops. Other crops grown in the Delta area include irrigated pasture, pears, safflower, cherries, peaches, tomatoes, and wine grapes. According to Sacramento County Agricultural Commissioner's Walnut Grove office, crops grown in the Delta portion of the County have not changed much since 1992. Acreages for pears, peaches, cherries, and wheat are about the same as what they were in 1992, and wine grape acreage has increased by about 1,500 acres over the past eight years. He noted that the acreage of processing tomatoes is down significantly, and there is currently no sugar beet acreage in the Delta portion of the County, due to the bankruptcy of the Tri Valley Growers cooperative and the closure of two local sugar beet processing plants in 2000. These crop acreages have largely been replaced by corn.

San Joaquin County: According to San Joaquin County's 1999 Report of Agricultural Production, the gross value of agricultural production in 1999 was \$1,352,672,000, representing a 3% increase over 1998 values. San Joaquin County has approximately 809,000 acres in agricultural production on over 3,800 farms with an average size of 209 acres. The top ten crops for San Joaquin County in 1999 were: grapes (\$291.2 million); milk (\$257.5 million); tomatoes (\$103.7 million); cherries (\$71.9 million); almonds (\$69.8 million); English walnuts (\$61.6 million); asparagus (\$59.4 million); apples (\$49.3 million); hay (\$46.0 million); and cattle and calves (\$25.9 million). San Joaquin County was ranked #1 in the State for the production of cherries, asparagus, apples, corn and grain, and English walnuts.

Note: Information on the Delta portion of San Joaquin County is being generated, and should be available as supplemental material at the meeting on May 24, 2000.

Yolo County: According to the 1999 Agricultural Crop Report for Yolo County, the 1999 total gross value of agricultural production in 1999 was a record-high \$339,937,000, a 23% increase over 1998 values. There were significant increases in the values of vegetable crops (mainly processing tomatoes), field crops, seed crops, and nursery products. The top ten commodities for Yolo County in 1999 were: processing tomatoes (\$132.7 million); wine grapes (\$35.4 million); seed crops (\$26.6 million); rice (\$24.3 million); alfalfa hay (\$23.8 million); safflower (\$9.916 million); English walnuts (\$9.7 million); honeydew melons (\$9.3 million); wheat (\$7.4 million); and prunes (\$7.1 million).

According to information from the Yolo County Agricultural Commissioner's office, the Delta portion of Yolo County currently has over 50,000 acres in agricultural production. Main crops grown in the Delta area in 2000 included safflower, alfalfa, range and pastureland, corn, wheat, wine grapes, and processing tomatoes.

Contra Costa County: According to the Contra Costa County Department of Agriculture 1999 Crop Report, the total gross value (i.e., not including costs of production, transportation, or marketing) of agricultural crops and products in 1999 was \$86,693,780, a \$71,470 decrease from 1998. Acreages for hay, wheat, and field corn were lower than in 1998; these were largely replaced by forage crops such as sudan, silage, and clover. New acreages of miscellaneous fruit and nut crops came into production in 1999. The County lost several nurseries and rose growers in 1999; this is largely because of low rose prices due to foreign competition.

There are a total of 470,000 acres in the County, of which approximately 147,859 are in farms, yielding 28,391 acres of harvested cropland. The top ten commodities for Contra Costa County in 1999 were: bedding plants (\$19.7 million); milk (\$8.3 million); tomatoes (\$7.2 million); grapes (\$7.0 million); sweet corn (\$6.3 million); apples (\$5.2 million); miscellaneous vegetables (\$3.6 million); cattle and calves (\$3.1 million); rangeland pasture (\$2.5 million); and miscellaneous nursery (\$2.4 million).

According to staff at Contra Costa County Dept. of Agriculture's Brentwood branch, there are currently over 16,000 acres of agricultural land in production in the Delta portion of Contra Costa County (Jersey, Bradford, and Quimby Islands and Webb, Orwood, and Byron, Holland, and Veale Tracts). Crops produced on these islands include pasture, field corn, wheat, safflower, asparagus, and various hays and grasses used as cattle feed. These crop types have not changed significantly from those produced in 1992, although there are currently more grapes in production near the California Aqueduct (State Water Project) and in the Antioch area than there were in 1992, displacing hay crops that used to be grown in these areas.

In addition, many of the problems that plagued farmers in 1992 are still at issue today, as the agricultural areas increasingly interface with the expanding urban areas of the County. These include conflicts between agricultural traffic and local resident/regional commuter traffic, vandalism and trespassing on agricultural land, and complaints from residents about pesticide spraying and dust.

LOCAL PLANNING FOR AGRICULTURE:

Solano County:

Solano County has taken steps to protect agricultural land and to maintain open space between the cities in the County.

In 1984, the County voters approved Measure A to maintain the general plan to restrict growth to within the Cities. Measure A was a ten-year program. In 1994, the Board of Supervisors, with support of the citizens of the County, voted to extend the policies of Measure A for 15 more years, until 2010.

In 1994, the County adopted amendments to the regulations administering Agricultural Preserves to: preclude parcels of prime land less than 10 acres in size; add Limited Agricultural and Marsh Preservation zoning districts; streamline the application process; allow harvesting, curing, processing, packing, shipping and selling of agricultural products produced in Solo County and in contiguous counties as a permitted use; incorporate criteria in which to evaluate other uses which may be compatible with agricultural uses; and add agricultural service uses as uses which may be compatible with agricultural and open space uses.

In 1994, the County adopted zoning code changes that delete nursery school, church and nursing home from the list of uses allowed upon issuance of a user permit in the Exclusive Agricultural District and clarified description of recreation uses permitted in the Exclusive Agricultural District upon issuance of a use permit.

In 1996, the County amendment the General Plan to adopt a Greenbelt Zoning District covering approximately 4,500 acres in central Solano County between the cities of Vacaville and Fairfield in an area zoned Exclusive Agricultural. The purpose of the Greenbelt is to protect open space and agriculture between the urbanized areas of the County.

In 1999, the County held a summit on Agriculture and studied ways the County can support and protect agriculture in the County.

In 2000, the County Water Agency started development of a Habitat Conservation Plan to address mitigation issues within the County.

In 2001, the County updated uses allowed in the agricultural zone including special events at agricultural processing facilities, agriculture-related housing, agricultural education, and roadside stands.

Sacramento County:

In Sacramento County, there has been recent interest from cities around the Primary Zone to expand planning into the Primary Zone to protect open space values and agriculture.

In 1998, the County amended the zoning code to allow wineries in agricultural zones. One new, very small winery has been approved in the Primary Zone of the Delta.

In 2000, the City of Elk Grove was established by a vote of the citizens. The new City voted in 2000 to adopt Sphere of Influence boundaries that extend into the Delta Primary Zone (from Freeport south to Dierssen Road). The project is under environmental review.

In 2000, the City of Sacramento indicated its interest in expanding its Sphere of Influence and directed staff to study several areas including lands between Freeport and Hood-Franklin Road. The project is under environmental review.

In 2000, the County amended the zoning code to require a use permit for excavation of ponds for recreational use in the Primary Zone of the Delta. This step was taken to protect agriculture from possible adverse impacts, such as seepage, if ponds are created under a use permit.

In early 2001, the County Board of Supervisors adopted a resolution (No. 2001-0319) in support of agricultural interests in Sacramento County and encouraging State and federal representatives to assist in remedies to reverse the current agricultural economic crisis in the County.

San Joaquin County:

In 1999, the County adopted the new Super Williamson Act program, also known as the Farmland Security Zone program, which allows for longer term protection of agricultural land and associated property tax relief.

In 2000, the County released a General Plan 2010 Review that led to several Board actions to protect against the loss of farmland and to limit urban growth impacts. The report includes a draft exclusive agriculture zone, an example of farmland conversion ordinance, farmland preservation funding sources, principles for smart growth and other "tools" to carry out the goals of the County's General Plan. The Board directed the staff to pursue the basic General Plan Values: to preserve agricultural land and protect natural resources, to accommodate future growth in cities and urban rural communities along major surface transportation routes, to develop economic development strategies, and to identify and implement urban limit lines. The Board also directed staff to develop an

Exclusive Agriculture Zone, to develop a Farmland Conversion Ordinance that would provide for a buffer area between development and agriculture and require a fee for converting agricultural land to other use with the fees used to preserve other agricultural land in the County, to develop a report on funding sources to preserve agricultural land, and to prepare a report on providing farmworker housing. Other directed actions support compact growth in and near existing developed areas and the development of Urban Limit Lines. .

In 2000, the County adopted a countywide Habitat Conservation Plan, prepared by the San Joaquin County Council of Governments, that will protect wildlife values on agricultural land in the County. The HCP recognizes the value of agricultural land for wildlife habitat and ensures that habitat mitigation areas adjacent to agricultural uses will not adversely impact on-going agricultural practices. Preserves will be created by purchasing development easements on agricultural land, enhancing habitat on those lands while encouraging the continuation productive agricultural use of preserve lands. Mitigation will be required at the following ratios:

- Loss of agricultural land: 1:1

- Loss of non-wetland natural land (oak woodlands): 3:1

- Loss of vernal pools: 2:1 preservation plus 1:1 creation

- Loss of natural land wetlands: at least 1:1 creation plus 2:1 preservation.

Mitigation can be provided by paying a fee, dedication, purchase mitigation bank credits, or propose an alternative mitigation plan. Mitigation fees are: \$750/acre for loss of multi-purpose open space lands; \$1,500/acre for loss of agricultural land and natural lands; and \$30,000/acre for surface area of vernal pools and \$5,000/acre for grassland around vernal pools.

In 2001, the County and the cities of Stockton and Lodi (2X2X2 Committee) began a series of public meetings to address the need for and strategies to implement "community separators" or greenbelts. The greenbelts would retain agriculture in unincorporated areas between the two cities to preserve open space, preserve agriculture, to maintain aesthetics, and possible provide recreational opportunities.

Yolo County:

In 1999, the County revised the Winery Ordinance to be more flexible; a use permit is required.

In 1999, the County amended the Zoning Code to require the minimum parcel size in the A-P zone from 20/40 to 40/80 and in the A-1 zone, from 5 acres to 20 acres.

In 1999, the County amended the Zoning Code to require agricultural mitigation for zone changes from an agricultural zone to a non-agricultural zone on a 1:1 basis by granting a farmland conservation easement, a farmland deed restriction to the County or approved entity and paying fees for administrative costs of the easement, or by paying an in-lieu feet to the County's Agricultural Conservation Easement Program.

In 2001, the County directed staff to move forward with revisions to the Habitat Conservation Plan started in the 1995 and preparation of appropriate environmental documents.

Contra Costa County:

In 1996, the County initiated a new land trust, the now independent Agricultural Trust of Contra Costa County. The County also provided \$500,000 in seed money. The Trust is currently working to acquire conservation easements in the Secondary Zone.

In 1997, the County adopted a countywide Right to Farm Ordinance.

In 2000, the County re-established its Agricultural Task Force, an advisory committee charge with examining the County's zoning ordinance as it relates to agriculture and recommending modifications to keep pace with the evolving agricultural economy.

In 2000, the County formed the Advisory Committee on Open Space Funding to explore opportunities for generating new local sources of funding to acquire and protect parks, open space and farmland. Protection of prime farmland in the Secondary Zone has emerged as a key funding need (see www.cocoplans.org).

In 2000, the County amended the Urban Limit Line to make it more restrictive. This action will preclude redesignation of lands presently designated for agriculture and/or Delta Recreation for an urban use. Veale Tract, in the Secondary Zone of the Delta, was one of the areas thus restricted.

In 2001, the East Contra Costa County Habitat Conservation Plan (HCP) Association (Cities of Brentwood, Oakley, Clayton, Pittsburg, Antioch, East Bay Regional Park District and Contra Costa Water District) started preparation of an HCP.

TRENDS IN AGRICULTURE:

Statewide

California agriculture is facing more hardships on a local, national, and international scale than ever before. Some of the main factors impacting the viability of California's agricultural operations include, but are not limited to:

a. Increased Production and Operation Costs

Various operation costs to farmers have increased dramatically over the past few years, while the prices they receive for their products have gone down. According to USDA's Economic Research Service, net farm income in California has decreased significantly over the past three years – from approximately \$6.2 billion in 1997 to approximately \$4.9 billion in 1999. During that period, USDA statistics indicate that in California, the cost of feed increased by 14%, seed cost increased by 25%, and electricity cost increased by 13% (this does not reflect the significant energy cost

increases occurring in 2000 and 2001, which have caused many farmers and processors to seek energy alternatives or to shut down altogether). Also, diesel fuel costs nearly doubled in 2000, increasing the costs to farmers of transporting their crops. Health insurance rates and wages for farm workers have also increased. California's minimum wage was recently raised to \$6.25 /hour in January 2001, well above the national minimum, and is expected to increase by another \$.50 in January 2002. (Kate Campbell, Ag Alert, 1/17/01).

b. Increased Competition from Foreign Markets

California's share of the global market is being encroached upon by foreign competitors, who are not subject to the same environmental regulations and costs for labor and other inputs as the United States. Some examples of specialty crops and products produced in California that are experiencing a decline on the international market due to foreign competition include apples, tomatoes, grapes, and asparagus. Adding to the competitive disadvantage California is experiencing with higher production costs are various trade barriers, which include high tariff rates for U.S. products, resistance to crops grown with biotechnological methods, and other restrictions.

The Delta

Delta farmers face many of the same challenges as other California farmers, in terms of increased production and operation costs and foreign market competition, however, there are several additional factors specific to the Delta area that have impacted, and are expected to continue to impact, the Delta's agricultural economy. These include, but are not limited to, the following:

a. Tri-Valley Growers Bankruptcy

Once the second largest fruit and vegetable cannery in California, the Tri-Valley Growers cooperative filed for bankruptcy in July 2000, failing to make contracted payments and leaving stranded investments in tomato and pear crops, among others, many of which came from the Delta area. The bankruptcy has caused some farmers to cut back on their acreages of pears and tomatoes. The impacts to the Delta area may be better ascertained once crop information for 2000 and 2001 is available.

b. Various Plant and Factory Closures

Locally, there have been four tomato-processing plant closures in the last couple of years: the Hunt Wesson plant in Davis, the Quality Assured facility in Stockton, Tri Valley Growers' plant in Thornton, and Del Monte's plant in Woodland. These closures have left very few contracts available for tomato growers and its support businesses, including seed, fertilizer, and equipment companies.

Sugar beets, once an important crop in the Delta area, have been in decline in light of the closure of several factories since 1992. Delta Sugar Corporation filed Chapter 11 bankruptcy in 1993 and closed its plant in Clarksburg. In addition, Imperial Sugar

Company, California's only sugar beet processor, ceased production at its Woodland (Spreckels) and Tracy (Holly) processing plants at the end of 2000, due to record low prices and the need to streamline production. As a result, sugar beet production in Delta counties has decreased significantly since 1992, and for most Delta counties, has disappeared altogether.

c. CALFED Bay-Delta Program

There are currently approximately 525,000 acres in agricultural production in the 738,000-acre Delta. According to CALFED's Final Programmatic Environmental Impact Report/Environmental Impact Statement (FEIR/EIS), anywhere from 124,500 to 166,100 acres of this agricultural land may be converted to other uses under its various programs over the 30-year life of the program (Ecosystem Restoration Program, Levee System Integrity Program, Storage, and Conveyance Programs). Depending on the acreages and the crops ultimately taken out of production under this program, there are expected to be significant impacts to the Delta's agricultural economy.

MEANS OF PROTECTING AGRICULTURAL LANDS:

Local governments, State agencies, nonprofit groups, and landowners have been working together to develop useful techniques to help protect agricultural lands from urban encroachment. In addition, in the last couple of years, there has been increasing interest in restoring habitat on agricultural lands.

New Programs to Protect Agricultural Lands:

Super Williamson Act: In 1998, the State Legislature passed new legislation that created a variation on the Williamson Act, creation of Farmland Security Zones. This Farm Bureau sponsored legislation allows landowners to receive an additional 35% tax reduction in the land's value for property tax purposes. This additional tax reduction can be earned only if the land is in the program for at least 20 years (Williamson Act contracts are for 10 years). Counties must individually decide if they will participate in the program; San Joaquin County has agreed to participate in the Farmland Security Zone program.

Requiring Mitigation for Development of Agricultural Land for Urban Uses:

City of Davis: The City of Davis, in Yolo County and just north of the Primary Zone of the Delta, has been experiencing growth onto agricultural lands. The City was concerned about the loss of agricultural lands to urbanization. In 1995, the City adopted "Agricultural Land Mitigation Requirements" (City Code Article 40A.03.030). The mitigation ordinance applies when "zoning changes or any other discretionary entitlement which will change the use of agricultural land to any nonagricultural zone or use." The

mitigation can be either acquisition of an easement on agricultural land, or collection of a fee to be used to acquire easements to protect agricultural land.

San Joaquin County: San Joaquin County Board of Supervisors has directed staff to prepare an ordinance that would require mitigation for loss of agricultural land for urban, or other uses. The ordinance would likely require acquisition of an easement to protect agricultural land, or collection of a mitigation fee to be used to acquire easements to protect agricultural land.

Regulating and Requiring Mitigation for Conversion of Agricultural Land to Wildlife Habitat:

The CALFED Program will have an impact on agriculture in the Delta, and proposes to convert thousands of acres of Delta agricultural land to: conveyance facilities, more stable levees, in-Delta storage of water, wildlife habitat. The CALFED Ecosystem Restoration Plan proposes that at the end of the 30-year implementation period, between 92,000 and 111,000 acres of Delta agricultural land would be converted to habitat.

The Final Programmatic EIS/EIS states that "mitigation strategies have been developed that could lessen many of the impacts of the program; however, a significant conversion of agricultural lands could occur" (page 7.1-2. The FEIR/EIS includes 27 mitigation strategies to offset potentially significant adverse impacts. The FEIR/EIS states that "these mitigation strategies will be considered during project planning and development. Specific mitigation measures will be adopted, consistent with the Program goals and objectives and the purposes of site-specific projects"(page 7.1-28) (see attached).

The Statement of Overriding Considerations states "Recognizing the importance of agricultural lands, the CALFED Agencies have made a commitment to implement the Program in a manner designed to minimize these adverse impacts...Agricultural lands will be preserved during implementation of the Program in a manner consistent with meeting program goals, minimizing impacts to agriculture. Some of the land needed for Program implementation is already owned by the federal or State government and that land will be used to achieve Program goals. Partnerships with landowners, including easements with willing landowners, will be pursued to obtain mutual benefits if public land is not available for the intended purpose. Acquisition of fee title to land will be from willing sellers only, and will be used when neither available public land nor partnerships are appropriate or cost-effective for the specific need. Such acquisitions will consider the potential for third party and redirected impacts. In addition, to the maximum extent possible, the CALFED Agencies will seek to implement the Program through technical and financial assistance to locally based, collaborative programs..."(page 4). The Record of Decision includes the mitigation strategies outlined in the EIR/EIS. CALFED staff is currently working to develop processes for implementation of the mitigation strategies.

Developing Guidelines for Buffers between Habitat Enhancement Areas and Agriculture:

As state and federal agencies, and non-profit groups pursue conversion of agricultural land to wildlife habitat, farmers are raising concerns about possible immediate and future impacts to on-going agricultural practices and impacts to adjoining lands. In addition, landowners have indicated concern about possible future restrictions on agricultural land, if protected species are observed on agricultural lands near habitat areas. This concern has also been raised about Delta levees, and the need to be able to continue to maintain the levees to provide flood control.

Examples include concerns about seepage associated with restoring lands to aquatic or wetland habitat. This issue was raised on the Prospect Island project (Solano and Yolo Counties) and Tyler Island project (Sacramento County). The Tyler Island project, construction of ponds and seasonal wetland areas for migratory waterfowl, was redesigned to protect against seepage; the Prospect Island project, excavation of a channel and opening the levees in two locations to allow tidal action, is not yet approved for construction. The Tyler Island project also raised issues about possible restrictions to spraying and other on-going agricultural activities on adjacent and nearby lands. The project was redesigned to move the ponds further from the property line, and to include a buffer area along the project's property lines.

CALFED's Record of Decision, includes a mitigation measure regarding buffers which states "Develop buffers and other tangible support for remaining agricultural lands. Vegetation planted on these buffers should be compatible with farming and habitat objectives" (page A-13).

Issues that could be studied further include:

- Clarification that buffers will be provided on the habitat enhancement sites.
- Consideration of the adjacent agricultural practices and crops in design of buffers.
- Development of guidelines about the appropriate width of buffers and their design and management (near riparian areas, near wetlands, near grasslands).
- Development and monitoring of test bugger areas to determine appropriateness of guidelines.

MANAGEMENT OF AGRICULTURAL LANDS FOR WILDLIFE HABITAT:

Creation of Wetlands:

The State (Wildlife Conservation Board) and the federal government (Natural Resource Conservation Service) have been acquiring conservation easements on agricultural lands. Conservation easements retire land from agriculture, and restore the land to a wetland condition. The easements acquired to date are on lands behind levees that will be restored as seasonal or managed wetlands.

Seasonal Flooding of Agricultural Lands:

The Central Valley Project Improvement Act (CVPIA) includes a program to promote seasonal flooding of agricultural lands. The program is implemented by the Fish and Wildlife Service and provides some funding to help offset the costs of seasonal flooding. The criterion developed by the Service requires that landowners seeking participation in the program have fish screens on their water intakes. While Delta landowners are eligible for participation, no Delta landowners have been approved for participation in the program. The funds have largely been allocated to rice farmers in the Sacramento Valley.

Agricultural Land for the Mitigation of Development Impacts:

Processing of new development projects often results in mitigation requirements for developers. Historically, developers would incorporate mitigation onto the development site. As an alternative, developers may purchase nearby lands to protect, enhance, or restoration habitat to mitigate environmental impacts documented in environmental documents.

A new program, active since the early 1990's, is the development of **mitigation banks**. Once State and federal regulatory agencies approve a mitigation bank, a developer may mitigate development impacts by purchasing "credits" in a mitigation bank.

The Medford Island mitigation bank was the first in the Delta, followed by a bank on Wright-Elmwood Tract in the Secondary Zone, Kimball Island for riparian and fishery impacts, and now a Garter Snake mitigation bank in the Yolo Bypass is under review. The Fish and Wildlife Service has expressed interest in allowing mitigation to take place within the boundaries of the Stone Lakes National Wildlife Refuge.

To date, creation of mitigation banks has had minimal impact on agricultural lands in the Primary Zone. The Medford Island and Kimball Island are small islands no longer used for agriculture. Wright Elmwood Tract is in the Secondary Zone. The Garter Snake mitigation bank would continue to be used for compatible agricultural uses, such as grazing.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND LOSS OF AGRICULTURAL LAND:

California Environmental Quality Act (CEQA), includes a finding stating that the conversion of agricultural lands to nonagricultural uses threatens the long-term health of the state's agricultural industry and that CEQA should play an important role in the preservation of agriculture. Therefore, CEQA encourages agencies to make wise and efficient land use decision by adopting and using the Land Evaluation and Site Assessment (LESA) criteria developed by the U.S. National Resources Conservation Service to implement the federal Farmland Protection Policy Act (Chapter 812, Statutes of 1993). In 1997, the Department of Conservation (DOC) developed a state model LESA system to be modified by lead agencies and adopted as a decision-making methodology for assessing the potential environmental impacts of state and local projects

on agricultural land. The LESA system requires agencies to systematically quantify and evaluate the effect of proposed activities on farmland. In addition, the LESA procedures require that agencies assign a numeric rating to a variety of factors affecting the viability of agricultural operations that are threatened by non-agricultural land uses.

The CEQA Guidelines, Appendix G, indicate a project may be considered to have a significant environmental effect if it will: convert prime farmland, unique farmland, or farmland of statewide importance; conflict with existing zoning for agricultural use or Williamson Act contracts; or cause other impacts on or conversions of farmland. Appendix G also states lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment as a model to use in assessing impacts on agriculture and farmland.

The CEQA guidelines, Appendix G, also address when environmental review should occur for projects, including acquisitions (Section 15004 (b)(1)). The guidelines state: “With **public projects**, at the earliest feasible time, project sponsors shall incorporate environmental considerations into project conceptualization, design, and planning. CEQA compliance should be completed prior to acquisition of a site for a public project.”

In general, CEQA requires that for each significant impact identified in an environmental document, the environmental document must discuss feasible measures to avoid or substantially reduce the project’s significant environmental effect. There are five categories of mitigation. Measures that avoid, minimize, rectify, reduce or eliminate, or compensate for the significant environmental effect of the proposed project. Mitigation measures should be specific, feasible actions that will actually improve adverse environmental conditions. Mitigation measures should be measurable to allow monitoring of their implementation. Mitigation measures consisting only of further studies, or consultation with regulatory agencies that are not tied to a specific action plan may not be adequate and should therefore be avoided. A mitigation measure is considered feasible if it is capable of being accomplished in a successful manner within a reasonable period of time, taking into consideration economic, environmental, legal, social and technological factors.

(Source: Bass, Herson, Bogdan, CEQA Deskbook, 1999)

ATTACHMENTS:

- **Adopted Agriculture Findings, Policies, and Recommendations in the "Land Use and Resource Management Plan for the Primary Zone of the Delta"**
- **Strategic Plan**
- **CALFED Adopted Agriculture Mitigation Measures**